



MASSDEVELOPMENT

THE TEAM THAT GETS IT DONE.



Tax-Exempt Financing and Related Programs & Services
for Manufacturing Companies, Affordable Rental Housing
Developments, and Not-For-Profit Organizations

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PROMOTING CLEAN JOBS & NEIGHBORHOOD CHANGE CONFERENCE



MassDevelopment's Mission

To help build & sustain communities and businesses of the Commonwealth by stimulating economic development through creative bond and loan financing programs.

- **Providing access to capital**
- **Lowering cost of funds**
- **Leveraging private funds**
- **Offering structure and timing flexibility**



MassDevelopment Programs

- **Bond Financing for Qualified Projects**
 - Tax-exempt
 - Taxable
- **Community Development and Technical Assistance**
- **Brownfields Financing**
- **Economic Development Lending**
 - Direct Loans
 - Loan Guarantees



Why Work With MassDevelopment?

- **Low cost financing programs available**
- **Individualized Approach**
- **Assess Financing needs and evaluate current and future projects**
- **Analyze financing structures to ensure most appropriate financing plan for borrowers**
- **Advise on selection of financing participants**
- **Monitor and advise throughout the entire bond issuance process**



Tax-Exempt Bond Financing

- Low-cost financing source for capital projects.
- Provides Massachusetts private businesses and 501c3 not-for-profit organizations with a permanent or interim source of capital.
- Eligible capital projects include facility renovations, new construction, equipment purchases, property acquisitions, and debt refinancing.
- Can work with customer's existing bank to purchase directly or sell to public markets through an underwritten offering.



Tax-Exempt Industrial Development Bonds

- Tax-exempt bond issued by MassDevelopment for the benefit of a manufacturing or processing company
- Interest earned by bondholder is not subject to federal or state income tax
- Bonds are recourse to the private beneficiary and are not backed by the state or MassDevelopment
- To qualify for tax-exemption, must meet Federal IRS Code requirements



What can be financed with IDBs?

Within Federal eligibility guidelines:

- Construction of new manufacturing facilities, including cost of land purchase
- Purchase and renovation of existing manufacturing facilities
- Acquisition of new production equipment
- Project-related soft costs and issuance expenses



Housing Bonds

- Rental Housing Projects Only
- Must meet affordable income set-aside requirements:
20% of the units at 50% AMI
or 40% of the units at 60% AMI
- Can be used for land acquisition, new construction, and building renovation
- 4% Low Income Housing Tax Credits available
- Assisted-living facilities often eligible for financing
- MassDevelopment will arrange for issue of 40B site eligibility letters



501 (c)(3) Nonprofit Bonds

- Can be used for the construction, acquisition, or refinancing of capital investments
- Eligible Borrowers include:
 - colleges and universities
 - independent schools
 - charter schools
 - cultural institutions
 - human service providers
 - long term care providers
- No size limitations
- Non-profits can replenish spent monies with bond proceeds for previously authorized capital expenditures



Additional MassDevelopment Resources

- Tax-Exempt Bonds for Environmental Services
- MassDevelopment New Markets Tax Credits
- Emerging Technology Loan Fund
- Real Estate Development Services
- Charter School Loan Guaranty Fund